



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
www.ladpw.org

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE
REFER TO FILE: **PM-3**

December 5, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**CAMP LOUIS ROUTH WATER TANK
APPROVE REVISED PROJECT BUDGET
APPROVE APPROPRIATION ADJUSTMENT
AWARD CONSTRUCTION CONTRACT
SPECS. 6350; LACO 3894; C.P. 77488
SUPERVISORIAL DISTRICT 5
3 VOTES**

JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER AND CHIEF PROBATION OFFICER THAT YOUR BOARD:

1. Approve the revised total project budget of \$381,000 for fabrication and installation of a new water tank at Camp Louis Routh.
2. Approve the enclosed appropriation adjustment to reallocate funding of \$238,000 from the existing Camp Louis Routh water tank project (Capital Project 69216) to a new Camp Louis Routh water tank project (Capital Project 77488) and provide supplemental funding of \$143,000 from the Extraordinary Maintenance Budget to complete the project.
3. Find that DenBoer Engineering and Construction, Inc., is the apparent lowest responsible and responsive bidder and award a construction contract for the Camp Louis Routh water tank in the amount of \$299,000, subject to the satisfactory and timely completion by the contractor of the consultant service agreement to prepare a baseline schedule for the project and receipt by

County of acceptable Performance and Payment Bonds and evidence of required contractor insurance.

4. Delegate to the Director of Public Works the authority to determine, in accordance with the applicable contract and bid specifications, whether the contractor has satisfied the above conditions for contract award, and authorize the Director to execute the construction contract, in the form previously approved by County Counsel, to DenBoer Engineering and Construction and establish the effective date of the construction contract if the Director determines that the above conditions have been satisfied.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approving the recommended actions will increase the project budget and provide funding to award a contract to DenBoer Engineering and Construction to fabricate and install the Camp Louis Routh water tank.

Camp Louis Routh provides housing and work areas for approximately 115 juveniles and personnel from the Probation and Fire Departments. The original kitchen/mess hall was damaged by the Northridge Earthquake. The structure was red tagged, demolished, and subsequently replaced. The initial design of the mess hall called for the replacement of the water main and installation of fire hydrants to provide fire suppression capabilities. However, the acquisition cost of the easements for the repair/replacement of the water main made this concept cost-prohibitive. In order to avoid delaying substantial completion and occupancy of the building, we obtained a waiver from the Fire Department that expires in December 2002.

The implementation of fire suppression measures is required for the continued occupancy of the new kitchen/mess hall. Because of the lack of water pressure available at the camp, various options to augment the existing water supply were evaluated. Public Works determined that the most cost-effective method of providing the required volume of water for fire suppression is by installing a 55,000-gallon water tank. An additional benefit of this concept is that it will provide the camp with a secondary source of potable water. The Fire Department has indicated that following award and execution of the recommended agreement with DenBoer Engineering and Construction, they would extend the waiver until December 2003.

The appropriation adjustment will reallocate project funding within the Capital Project budget and provide supplemental funding of \$143,000 from the Extraordinary Maintenance budget for the completion of the Camp Louis Routh water tank. The increase in the project budget is caused by a higher than anticipated construction cost and an increase in project management, document control, and inspection services to levels that are consistent with our recent experience for projects of this size and scope. In addition, because of the unique nature of the work, the budget reflects added special inspections for welding and concrete testing to be conducted during the fabrication and installation phases of the project.

Implementation of Strategic Plan Goals

Awarding this contract meets the County's Strategic Plan Goals of Fiscal Responsibility and Service Excellence since the enhancement of the facility's fire suppression capabilities will improve the safety of Camp Louis Routh by preventing injuries or loss of life in the event of a fire or future seismic event.

FISCAL IMPACT/FINANCING

The revised total project cost, including plans and specifications, plan check, construction, equipment, consultant services, miscellaneous expenditures, and County services, is currently estimated at \$381,000. This is a net increase of \$143,000 over the original project cost estimate. The revised budget includes an additional \$125,400 for construction, \$2,700 for jurisdictional review, \$5,000 for consultant services, and \$9,900 for County services. The Project Schedule and Budget Summary are included in Enclosure A.

On March 12, 2002, your Board approved the estimated funding to fabricate and install the water tank and associated equipment. Approving the enclosed appropriation adjustment will allow for the proper accounting of expenditures in the Capital Project budget and provide the additional \$143,000 required to fully finance the fabrication and installation of the water tank. No expenditures will be made without the Chief Administrative Officer's review and authorization.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

A standard contract, in the form previously approved by County Counsel, will be used. The standard Board-directed clauses that provide for contract termination, renegotiation, and hiring qualified displaced County employees will be included.

The project specifications contain provisions requiring the contractor to report solicitations of improper consideration by County employees and allowing the County to terminate the contract if it is found that the contractor offered or gave improper consideration to County employees.

As requested by your Board on August 12, 1997, and as a threshold requirement for consideration for contract award, DenBoer Engineering and Construction is willing to consider Greater Avenues for Independence Program participants for future employment.

As required by your Board, language has been incorporated into the project specifications stating that the contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under Federal income tax laws.

DenBoer Engineering and Construction is in full compliance with Los Angeles County Code Chapter 2.200 (Child Support Compliance Program) and Chapter 2.203 (Contractor Employee Jury Service Program).

ENVIRONMENTAL DOCUMENTATION

On March 12, 2002, your Board approved the Mitigated Negative Declaration and adopted the Mitigation Monitoring and Reporting Program for the project.

CONTRACTING PROCESS

On March 12, 2002, your Board adopted plans and specifications for the project at an estimated construction cost between \$135,800 and \$186,600 and instructed the Executive Officer to advertise for construction bids. On April 2, 2002, two bids were received that were significantly higher than the construction estimate. Your Board rejected all bids on May 14, 2002, and approved readvertising the project with a broader area of advertising and an extended bid period in an effort to create a more competitive bid environment.

On June 17, 2002, four bids were received. All the bids were significantly higher than the construction cost estimate. As a result, Public Works deferred the award of the contract in order to reevaluate other alternatives to increase the volume and pressure of the Camp's water supply and distribution system. This included investigating options such as increasing the size of the main water supply line, installing a pump at the connection point to the water main, and installing a pump in the water distribution system adjacent to the kitchen/mess hall. The findings of this analysis concluded that the installation of a water tank was still the most cost-effective means of satisfying the mandatory fire suppression requirements, despite the higher than anticipated construction cost.

Because the award of the contract was deferred for several months, we requested the bidders to validate and reconfirm their bids. On November 21, 2002, SFM Constructor submitted a request to be released from their bid. We have reviewed their request and concur with releasing them from their bid. As a result, the lowest responsible bidder is DenBoer Engineering and Construction with a bid of \$299,000. This bid is \$129,300 higher than the construction cost estimate and reflects the current bidding environment for the specialty equipment being procured. The bid results are summarized in Enclosure B.

DenBoer Engineering and Construction's Community Business Enterprise participation data and three-year contracting history with the County are on file with Public Works.

As requested by your Board on February 3, 1998, this contract opportunity was listed on the Office of Small Business website.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on current County services or projects during the performance of the recommended services.

The Honorable Board of Supervisors
December 5, 2002
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CONCLUSION

Please return one adopted copy of this letter to the CAO (Capital Projects Division), Probation, and Public Works.

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

DAVID E. JANSSEN
Chief Administrative Officer

RICHARD SHUMSKY
Chief Probation Officer

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cc: Auditor-Controller
County Counsel
Department of Public Social Services (GAIN Program)
Office of Affirmative Action Compliance

December 5, 2002

ENCLOSURE A

**CAMP LOUIS ROUTH WATER TANK
APPROVE REVISED PROJECT BUDGET
APPROVE APPROPRIATION ADJUSTMENT
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SPECS. 6350; LACO 3894; C.P. 77488**

I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date	Revised Completion Date
Project Program	10/10/01*	N/A
Environmental Documentation	10/22/01*	N/A
Project Definition Documents	10/22/01*	11/06/01*
Adopt and Advertise	03/12/02*	05/14/02*
Construction Bid and Award	07/30/02	12/19/02
Construction		
Substantial Completion	01/27/03	06/16/03
Acceptance	03/10/03	07/28/03

*Indicates completed activity.

II. PROJECT BUDGET SUMMARY

Budget Category	Project Budget	Impact of This Action	Revised Project Budget
Fabrication/Installation			
1. Fabrication/Installation	\$ 169,700	\$ 129,300	\$ 299,000
2. Bid Range (10 Percent)	\$ 16,900	(\$ 16,900)	-0-
Subtotal	\$ 186,600	\$ 112,400	\$ 299,000
3. Change Orders	\$ 16,900	\$ 13,000	\$ 29,900
Subtotal	\$ 203,500	\$ 125,400	\$ 328,900
Consultant Services			
(a) Project Management	\$ 11,700	(\$ 11,700)	-0-
(b) Soils, Survey, Testing, & Inspections, Scheduling, etc.	\$ 4,800	\$ 16,700	\$ 21,500
Subtotal	\$ 16,500	\$ 5,000	\$ 21,500
Jurisdictional Review and Plan Check	\$ 1,300	\$ 2,700	\$ 4,000
County Services	\$ 11,700	\$ 9,900	\$ 21,600
Miscellaneous Expenditures			
(a) Print/Blueprinting	-0-	-0-	-0-
(b) Legal Advertisement	\$ 5,000	-0-	\$ 5,000
Subtotal	\$ 5,000	-0-	\$ 5,000
TOTAL	\$ 238,000	\$ 143,000	\$ 381,000

December 5, 2002

ENCLOSURE B

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The project includes fabrication and installation of a water tank and associated equipment.

Bid Opening Date:

June 17, 2002

Bid Summary:

	<u>Bidder</u>	<u>Lump Sum Bid</u>	<u>Total Bid*</u>
1.	DenBoer Engineering and Construction., Inc.	\$299,000	\$302,000
2.	Cora Constructor	\$299,500	\$307,000
3.	Castillo Western Inc., Constructor	\$273,000	\$318,000
4.	SFM Constructors, Inc.	\$282,000	\$297,000**

* The low bid was determined based on the total bid, including the base contract lump sum and extended overhead as outlined in the Project Manual. The contract will be issued for the lump sum bid amount only.

** Because the bids were significantly higher than the engineer's estimate, Public Works deferred the award of the contract while investigating other options. Following the evaluation period, SFM Constructors, Inc., requested that they be released from their bid, rather than validate or reconfirm it.

Financial Information:

Public Works' fair construction cost estimate is between \$135,800 and \$186,600.